



Mary Taylor, CPA
Auditor of State

**TRI TOWNSHIP JOINT FIRE DISTRICT
DELAWARE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter	1
Independent Accountants' Report.....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types - For the Year Ended December 31, 2007	5
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types - For the Year Ended December 31, 2006.....	6
Notes to the Financial Statements	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	11
Schedule of Audit Findings	13
Schedule of Prior Audit Findings	17

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Mary Taylor, CPA
Auditor of State

Tri Township Joint Fire District
Delaware County
495 Sunbury Road
Delaware, OH 43015

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your District to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

Mary Taylor, CPA
Auditor of State

May 30, 2008

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Tri Township Joint Fire District
Delaware County
495 Sunbury Road
Delaware, OH 43015

To the Board of Trustees:

We have audited the accompanying financial statements of Tri Township Joint Fire District, Delaware County, Ohio (the District) as of and for the years ended December 31, 2007 and 2006. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The District processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the District because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the District has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

GAAP require presenting entity wide statements and also presenting the District's larger (i.e. major) funds separately. While the District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Districts to reformat their statements. The District has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2007 and 2006 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2007 and 2006 or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances and reserves for encumbrances of Tri Township Joint Fire District, Delaware County, Ohio as of December 31, 2007 and 2006, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The District has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2008, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Mary Taylor, CPA
Auditor of State

May 30, 2008

**TRI TOWNSHIP JOINT FIRE DISTRICT
DELAWARE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH
DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Governmental Fund Types</u>		<u>Totals</u>
	<u>General</u>	<u>Capital Project</u>	<u>(Memorandum Only)</u>
Cash Receipts:			
Property and Other Local Taxes	\$ 711,407	\$ 129,396	\$ 840,803
Intergovernmental	100,484	2,368	102,852
Earnings on Investments	4,291	-	4,291
	<u>816,182</u>	<u>131,764</u>	<u>947,946</u>
Total Cash Receipts			
	<u>816,182</u>	<u>131,764</u>	<u>947,946</u>
Cash Disbursements:			
Current:			
General Government	12,558	-	12,558
Public Safety	618,478	-	618,478
Material and Maintenance Supplies	-	27,937	27,937
Capital Outlay	-	29,283	29,283
	<u>631,036</u>	<u>57,220</u>	<u>688,256</u>
Total Cash Disbursements			
	<u>631,036</u>	<u>57,220</u>	<u>688,256</u>
Total Receipts Over Disbursements	185,146	74,544	259,690
Fund Cash Balance, January 1, 2007	<u>82,467</u>	<u>534,858</u>	<u>617,325</u>
Fund Cash Balance, December 31, 2007	<u>267,613</u>	<u>609,402</u>	<u>877,015</u>
Reserve for Encumbrances, December 31	<u>\$ 6,630</u>	<u>\$ -</u>	<u>\$ 6,630</u>

The notes to the financial statements are an integral part of this statement

**TRI TOWNSHIP JOINT FIRE DISTRICT
DELAWARE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH
DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Governmental Fund Types</u>		<u>Totals</u>
	<u>General</u>	<u>Capital Project</u>	<u>(Memorandum Only)</u>
Cash Receipts:			
Property and Other Local Taxes	\$ 451,604	\$ 127,203	\$ 578,807
Intergovernmental	77,936	2,751	80,687
Earnings on Investments	3,143	-	3,143
	<u>532,683</u>	<u>129,954</u>	<u>662,637</u>
Total Cash Receipts			
	532,683	129,954	662,637
Cash Disbursements:			
Current:			
General Government	11,619	-	11,619
Public Safety	513,079	-	513,079
Material and Maintenance Supplies	-	56,543	56,543
Capital Outlay	-	6,616	6,616
	<u>524,698</u>	<u>63,159</u>	<u>587,857</u>
Total Cash Disbursements			
	524,698	63,159	587,857
Total Receipts Over Disbursements	7,985	66,795	74,780
Fund Cash Balance, January 1, 2006	<u>74,482</u>	<u>468,063</u>	<u>542,545</u>
Fund Cash Balance, December 31, 2006	<u>\$ 82,467</u>	<u>\$ 534,858</u>	<u>\$ 617,325</u>
Reserve for Encumbrances, December 31	<u>\$ 5,898</u>	<u>\$ -</u>	<u>\$ 5,898</u>

The notes to the financial statements are an integral part of this statement

**TRI TOWNSHIP JOINT FIRE DISTRICT
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Tri Township Joint Fire District, Delaware County, Ohio (the District) as a body corporate and politic. A three-member Board of Trustees governs the District. Each political subdivision within the District appoints one member. Those subdivisions are Brown Township, Delaware Township and Troy Township. The District provides fire protection and rescue services within the District.

The District's management believes these financial statements present all activities for which the District is financially accountable

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Cash and Investments

The District's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively. The District had no investments at December 31, 2007 or 2006.

D. Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies its funds into the following types:

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Capital Project Fund

This fund accounts for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The District had the following significant Capital Project Fund:

**TRI TOWNSHIP JOINT FIRE DISTRICT
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Capital Project Fund (Continued)

Fire Equipment Fund - This fund receives tax and intergovernmental revenue to be used for the purchase and maintenance of fire fighting equipment.

E. Budgetary Process

The Ohio Revised Code requires the District to budget each fund annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The District did not encumber all commitments required by Ohio law.

A summary of 2007 and 2006 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. EQUITY IN POOLED CASH

The District maintains a cash pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 was as follows:

**TRI TOWNSHIP JOINT FIRE DISTRICT
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

2. EQUITY IN POOLED CASH (Continued)

	2007	2006
Demand deposits	\$877,015	\$617,325

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2007 and December 31, 2006 as follows:

2007 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$854,815	\$816,182	(\$38,633)
Capital Project	644,362	131,764	(512,598)
Total	\$1,499,177	\$947,946	(\$551,231)

2007 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$531,000	\$637,666	(\$106,666)
Capital Project	502,000	57,220	444,780
Total	\$1,033,000	\$694,886	\$338,114

2006 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$582,896	\$532,683	(\$50,213)
Capital Project	577,236	129,954	(447,282)
Total	\$1,160,132	\$662,637	(\$497,495)

2006 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$476,000	\$530,596	(\$54,596)
Capital Project	118,500	63,159	55,341
Total	\$594,500	\$593,755	\$745

The District did not comply with Ohio Rev. Code Section 5705.41(B) which prohibits a subdivision or taxing unit from expending money unless it has been appropriated. Actual disbursements exceeded appropriations at the object level of control in the General Fund for 2007 and 2006.

**TRI TOWNSHIP JOINT FIRE DISTRICT
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

5. RETIREMENT SYSTEMS

The District's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2007 and 2006, OP&F participants contributed 10% of their wages. For 2007 and 2006, the District contributed to OP&F an amount equal to 24% of full-time fire fighters' wages. For 2007 and 2006, OPERS members contributed 9.5% and 9%, respectively, of their gross salaries and the District contributed an amount equaling 13.85% and 13.7%, respectively, of participants' gross salaries. The District has paid all contributions required through December 31, 2007.

6. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Tri Township Joint Fire District
Delaware County
495 Sunbury Road
Delaware, OH 43015

To the District Board of Trustees:

We have audited the financial statements of Tri Township Joint Fire District, Delaware County, Ohio (the District) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated May 30, 2008 wherein we noted the District prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We also noted the District uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the District. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: 2007-001 and 2007-002.

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A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, of the significant deficiencies described above, we believe findings number 2007-001 and 2007-002 are also material weaknesses.

We also noted certain internal control matters that we reported to the District's management in a separate letter dated May 30, 2008.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2007-003 and 2007-004.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated May 30, 2008.

We intend this report solely for the information and use of the management and Board of Trustees. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

May 30, 2008

**TRI TOWNSHIP JOINT FIRE DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2007-001

**Material Weakness/Significant Deficiency
Monthly Bank Reconciliations**

The fiscal officer of the District should perform timely monthly bank to book reconciliations to ensure all receipts and expenditures have been appropriately recorded to the District's UAN system. Reconciling items, including deposits in transit, outstanding checks, or unposted interest, should be considered in the reconciliation to ensure that the District's ledgers are reconciled to the bank balances.

Throughout 2007 and 2006 the fiscal officer did not perform accurate or timely bank reconciliations. In addition, accounting entries were not accurate or posted in a timely manner. There was no clear indication that the District books were reconciled to the bank throughout 2007 and 2006.

The following audit adjustments were required to correct the year end cash balances for 2007 and 2006:

1. The beginning fund balance for fiscal year 2006 for the General Fund was \$26,412 higher than the December 31, 2005 audited balance. In addition, the beginning fund balance for the Capital Project Fund was \$27,808 less than the December 31, 2005 audited balance. March 2006 interest earning of \$271 was not posted to the accounting ledgers.
2. In fiscal year 2007, the fiscal officer had multiple transactions that were posted twice. The Capital Projects fund had double posting of receipts totaling \$1,942, while the General fund had double posting of receipts totaling \$ 764. In addition, the fiscal officer did not post \$330 of receipts to the General Fund.

All of the above adjustments are reflected on the financial statements and have been posted to the accounting records.

Failure to reconcile District's book balance to the bank in a timely manner and to properly record accounting entries including reconciling items has resulted incorrect financial statements and accounting ledgers requiring adjustments. This weakness also prohibits the board from monitoring and or reviewing accurate financial data in a timely manner, which could result in theft or misappropriation of funds without the timely detection of management.

We recommend the fiscal officer complete accurate and timely bank reconciliations. Any variances between the two should be traced to the accounting ledgers and or other supporting documentation. These reconciliations and accounting adjustments, if applicable, should be reviewed by the board on a monthly basis and acknowledged in the minutes.

**TRI TOWNSHIP JOINT FIRE DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006
(Continued)**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2007-002

**Material Weakness/Significant Deficiency
Financial Reporting**

The District utilizes UAN as their accounting system. At year-end, the cash basis information from the UAN ledgers is converted into financial statements reported under Auditor of State Regulatory Cash Basis. The District fiscal officer prints financial statements from the UAN system.

In addition to those noted in Finding 2007-001, thirteen audit adjustments and reclassifications were necessary to accurately reflect receipts and expenditures on the financial statements. These adjustments and reclassifications ranged in dollar amount from \$370 to \$56,543.

We recommend the District implement additional procedures to provided assurance over the completeness and accuracy of information reported within the financial statements. Such procedures may include additional reviews of the financial statements including the notes to the financial statements by a member of management and an analytical comparison of the current year annual report to the prior year annual report for obvious errors or omissions

FINDING NUMBER 2007-003

**Material Noncompliance
Expenditures Exceeding Appropriation**

Ohio Rev. Code Section 5705.41(B) prohibits a subdivision or taxing unit from expending money unless it has been appropriated.

Actual disbursements exceeded appropriations for the year ended December 31, 2007 at the legal level of control as follows:

	Appropriation Authority	Actual Expenditures	Variance
General Fund			
Salaries	\$ -	\$ 11,758	\$ (11,758)
Accounting & Legal Fees	-	800	(800)
Medicare	-	12,292	(12,292)
OP&F Pension Fund	-	45,785	(45,785)
Medical/Hospitalization	-	42,678	(42,678)
UAN Fees	-	3,180	(3,180)
Training Services	-	9,510	(9,510)
Postage	-	162	(162)
Advertising	-	645	(645)
Other - Utilities	20,000	20,390	(390)
Liability Insurance Premiums	-	10,547	(10,547)
Other - Other Expenses	10,000	86,135	(76,135)

**TRI TOWNSHIP JOINT FIRE DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006
(Continued)**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

**FINDING NUMBER 2007-003
(Continued)**

**Material Noncompliance (Continued)
Expenditures Exceeding Appropriation (Continued)**

Actual disbursements exceeded appropriations for the year ended December 31, 2006 at the legal level of control as follows:

<u>General Fund</u>	<u>Authority</u>	<u>Expenditures</u>	<u>Variance</u>
Salaries	\$ -	\$ 9,414	\$ (9,414)
Accounting & Legal Fees	-	2,205	(2,205)
OPERS	-	3,293	(3,293)
Medicare	-	11,331	(11,331)
Volunteer Firemen's Dependen	-	150	(150)
Medical/Hospitalization	-	47,276	(47,276)
Vision Insurance	-	768	(768)
Worker's Compensation	11,000	15,854	(4,854)
Auditing Services	-	5,632	(5,632)
UAN Fees	-	3,000	(3,000)
Training Services	-	3,939	(3,939)
Postage	-	175	(175)
Advertising	-	407	(407)

We recommend the Board monitor expenditures in comparison to annual appropriations and approve appropriation amendments when additional expenditures are necessary.

FINDING NUMBER 2007-004

**Material Noncompliance
Certification of Funds**

Ohio Rev. Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

**TRI TOWNSHIP JOINT FIRE DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2007-004 (Continued)

**Material Noncompliance (Continued)
Certification of Funds (Continued)**

1. "Then and Now" Certificate – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the District can authorize the drawing of a warrant for the payment of the amount due. The District has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the District.

2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. (Prior to September 26, 2003, blanket certificates were limited to \$5,000 and three months.) The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

3. Super Blanket Certificate – The District may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Forty-six percent of transactions were not properly certified by the Fiscal Officer. In addition to not issuing purchase orders prior to commitment, the District started using the "then and now" certificates during 2006, however, the District issued the "then and now" certificates for the amounts greater than \$3,000 with out a resolution or ordinance from the Board. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the District's funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that the funds are or will be available prior to obligation by the District. When prior certification is not possible, "then and now" certification should be used and properly approved by resolution or ordinance, if required.

We recommend the District certify purchases to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The Fiscal Officer should sign the certification at the time the District incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The Fiscal Officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

We did not receive a response from Officials to the Findings reported above.

**TRI TOWNSHIP JOINT FIRE DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2007 AND 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2005-001	An employee was overpaid.	Yes	
2005-002	ORC 5705.41 (D) – funds were not properly certified.	No	Repeated as Finding 2007-004.
2005-003	The District did not record receipts in the proper fund.	Yes	
2005-004	The District's accounting records were not properly reconciled to the bank.	No	Repeated as Finding 2007-001.



Mary Taylor, CPA
Auditor of State

TRI TOWNSHIP JOINT FIRE DISTRICT

DELAWARE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 30, 2008**